

**APPRAISAL OF**



**LOCATED AT:**

22633 Lemon Tree Lane  
Boca Raton, FL 33428

**FOR:**

DeFalco, Frederick  
1601 NW 13 Street Boca Raton, FL 33486

**BORROWER:**

DeFalco, Frederick

**AS OF:**

May 18, 2008

**BY:**

Edward J. Ronan

# Uniform Residential Appraisal Report

File No. 8-1464ER

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

<b>SUBJECT</b>	Property Address <b>22633 Lemon Tree Lane</b>	City <b>Boca Raton</b>	State <b>FL</b>	Zip Code <b>33428</b>	
	Borrower <b>DeFalco, Frederick</b>	Owner of Public Record <b>Same</b>	County <b>Palm Beach</b>		
	Legal Description <b>Lot 1, Tamarron, Plat Book 34, Page 9.</b>				
	Assessor's Parcel # <b>00-41-47-26-01-000-0010</b>	Tax Year <b>2007</b>	R.E. Taxes \$ <b>11,016.98</b>		
	Neighborhood Name <b>Tamarron</b>	Map Reference <b>47-41-26</b>	Census Tract <b>0077.33</b>		
	Occupant <input type="checkbox"/> Owner <input checked="" type="checkbox"/> Tenant <input type="checkbox"/> Vacant	Special Assessments \$ <b>N/A</b>	<input checked="" type="checkbox"/> PUD	HOA \$ <b>121.67</b>	<input type="checkbox"/> per year <input type="checkbox"/> per month
	Property Rights Appraised <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)				
	Assignment Type <input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input checked="" type="checkbox"/> Other (describe) <b>Estimate Market Value</b>				
	Lender/Client <b>DeFalco, Frederick</b>		Address <b>1601 NW 13 Street Boca Raton, FL 33486</b>		
	Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				

Report data source(s) used, offering price(s), and date(s). **The subject is being sold by owner.**

<b>CONTRACT</b>	I <input type="checkbox"/> did <input type="checkbox"/> did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed. <b>Not applicable.</b>			
	Contract Price \$ <b>N/A</b>	Date of Contract <b>N/A</b>	Is the property seller the owner of public record? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Data Source(s) <b>Public Records</b>
	Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? <input type="checkbox"/> Yes <input type="checkbox"/> No			
	If Yes, report the total dollar amount and describe the items to be paid. \$ <b>N/A</b>			

**Note: Race and the racial composition of the neighborhood are not appraisal factors.**

Neighborhood Characteristics		One-Unit Housing Trends		One-Unit Housing		Present Land Use %	
Location <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values <input type="checkbox"/> Increasing <input type="checkbox"/> Stable <input checked="" type="checkbox"/> Declining	PRICE	AGE	One-Unit	<b>85%</b>		
Built-Up <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply <input type="checkbox"/> Shortage <input type="checkbox"/> In Balance <input checked="" type="checkbox"/> Over Supply	\$(000)	(yrs)	2-4 Unit	<b>5%</b>		
Growth <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time <input type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	<b>250</b>	Low	New	<b>0%</b>		
Neighborhood Boundaries <b>The subject neighborhood is located south of Glades Road, east of University Drive, north of the Hillsboro Canal and west of State Road 7 (U.S. 441).</b>		<b>800</b>	High	<b>45</b>	Commercial	<b>5%</b>	
Neighborhood Description <b>Location is reasonably convenient to employment centers, schools, shopping and normal community amenities. Protection from detrimental conditions and police and fire protection are adequate as typically available in the market area. No apparent adverse factors which would affect the subject's marketability were noted.</b>		<b>450</b>	Pred.	<b>25</b>	Other Vacant	<b>5%</b>	
Market Conditions (including support for the above conclusions) <b>General market conditions in the neighborhood appear to have contracted in the past 6 to 12 months as indicated in MLS and Public Records with declining property values. Supply currently is greater than demand with seller concessions and special financing incentives available on individual properties from motivated sellers.</b>							

<b>SITE</b>	Dimensions <b>No dimensions on the plat map</b>	Area <b>57,934 +/- Sq.Ft.</b>	Shape <b>Irregular, useful</b>	View <b>Residential</b>	
	Specific Zoning Classification <b>RE/SE</b>	Zoning Description <b>Residential Single-Family</b>			
	Zoning Compliance <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)	Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe.			
	Utilities <b>Public</b> <input checked="" type="checkbox"/> <b>Other (describe)</b> <input type="checkbox"/>	<b>Public</b> <input checked="" type="checkbox"/> <b>Other (describe)</b> <input type="checkbox"/>	<b>Off-site Improvements—Type</b>		<b>Public</b> <input checked="" type="checkbox"/> <b>Private</b> <input type="checkbox"/>
	Electricity <input checked="" type="checkbox"/>	Water <input checked="" type="checkbox"/>	Street <b>Asphalt</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gas <input type="checkbox"/>	Sanitary Sewer <input type="checkbox"/>	Alley <b>None</b>	<input type="checkbox"/>	<input type="checkbox"/>
	FEMA Special Flood Hazard Area <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	FEMA Flood Zone <b>AO</b>	FEMA Map # <b>120192 0100B</b>	FEMA Map Date <b>10/15/1982</b>	
Are the utilities and off-site improvements typical for the market area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe.					
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe.					

GENERAL DESCRIPTION		FOUNDATION		EXTERIOR DESCRIPTION materials/condition		INTERIOR materials/condition	
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls	<b>Concrete/Good</b>	Floors	<b>Carpet/Tile/Good</b>		
# of Stories <b>One</b>	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	<b>CBS/Good</b>	Walls	<b>Drywall-Good</b>		
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area <b>0</b> sq. ft.	Roof Surface	<b>S Tile/Good</b>	Trim/Finish	<b>Wood-Good</b>		
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish <b>N/A</b>	Gutters & Downspouts	<b>Aluminium/Good</b>	Bath Floor	<b>Ceramic/Good</b>		
Design (Style) <b>Ranch</b>	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type	<b>SH AL/Good</b>	Bath Wainscot	<b>Ceramic/Good</b>		
Year Built <b>1980</b>	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated	<b>Hurricane Shutters</b>	Car Storage	<input type="checkbox"/> None		
Effective Age (Yrs) <b>15 Yrs.</b>	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens	<b>Yes/Good</b>	<input checked="" type="checkbox"/> Driveway # of Cars <b>Circular</b>			
Attic <input type="checkbox"/> None	Heating <input type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities <input type="checkbox"/> Woodstove(s) #		Driveway Surface <b>Asphalt</b>			
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other Fuel <b>Electric</b>	<input checked="" type="checkbox"/> Fireplace(s) # <b>One</b>	<input type="checkbox"/> Fence	<input checked="" type="checkbox"/> Garage # of Cars <b>2</b>			
<input type="checkbox"/> Floor <input checked="" type="checkbox"/> Scuttle	Cooling <input type="checkbox"/> Central Air Conditioning	<input type="checkbox"/> Patio/Deck	<input checked="" type="checkbox"/> Porch <b>Yes</b>	<input type="checkbox"/> Carport # of Cars			
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Pool <b>Yes</b>	<input checked="" type="checkbox"/> Other <b>Spa</b>	<input type="checkbox"/> Att. <input type="checkbox"/> Det. <input checked="" type="checkbox"/> Built-in			
Appliances <input type="checkbox"/> Refrigerator <input checked="" type="checkbox"/> Range/Oven <input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Disposal <input checked="" type="checkbox"/> Microwave <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe)							
Finished area above grade contains: <b>9 Rooms 5 Bedrooms 3 Bath(s) 3,007 Square Feet of Gross Living Area Above Grade</b>							
Additional features (special energy efficient items, etc.) <b>Screen patio and pool, spa, vaulted ceilings, newer roof, stone fireplace; Hurricane shutters; and built-in's.</b>							
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.) <b>No functional or external inadequacies observed from interior and exterior inspection of the subject. The subject has been well maintained and was in above average condition at time of inspection. The subject conforms well to the surrounding neighborhood.</b>							
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe.							
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe.							

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There are **0** comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ **0** to \$ **0**

There are **3** comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ **551,400** to \$ **749,000**

SALES COMPARISON APPROACH

FEATURE	SUBJECT			COMPARABLE SALE NO. 1			COMPARABLE SALE NO. 2			COMPARABLE SALE NO. 3											
22633 Lemon Tree Lane Address Boca Raton	11962 Waterwood Drive Boca Raton			21275 N. Sweetwater Lane Boca Raton			21251 N. Sweetwater Lane Boca Raton														
Proximity to Subject	1 Mile Northwest			1.5 Miles Northwest			1.5 Miles Northwest														
Sale Price	\$ N/A			\$ 749,000			\$ 551,400			\$ 565,000											
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.			\$ 269.23 sq. ft.			\$ 200.00 sq. ft.			\$ 148.80 sq. ft.											
Data Source(s)	Public Records			Public Records/ISC/Realtor			Public Records/ISC/Realtor			Public Records/ISC/Realtor											
Verification Source(s)	Inspection			Multiple Listing Service			Multiple Listing Service			Multiple Listing Service											
VALUE ADJUSTMENTS	DESCRIPTION			DESCRIPTION			+(-) \$ Adjustment			DESCRIPTION			+(-) \$ Adjustment								
Sale or Financing Concessions	N/A			No Mortgage Recorded						Conventional Financing			Conventional Financing								
Date of Sale/Time	N/A			05/2008						02/2008			01/2008								
Location	Suburban			Suburban						Suburban			Suburban								
Leasehold/Fee Simple	Fee Simple			Fee Simple						Fee Simple			Fee Simple								
Site	57,934 Sq.Ft.			28,314 Sq. Ft.			30,000			34,412 Sq. Ft.			23,000			26,136 Sq. Ft.			32,000		
View	Residential			Lake			-20,000			Lake			-20,000			Lake			-20,000		
Design (Style)	Ranch			Ranch						Ranch			Ranch								
Quality of Construction	CBS/Good			CBS/Average						CBS/Average			CBS/Average								
Actual Age	1980/Eff 15 Yrs.			1979/Eff 12 Yrs.}						1987/Eff 15 Yrs.			1988/Eff 15 Yrs.			No Adj.					
Condition	Good			Very Good }			-70,000			Good			Good								
Above Grade	Total	Bdrms	Baths	Total	Bdrms	Baths	Total	Bdrms	Baths	Total	Bdrms	Baths	Total	Bdrms	Baths	Total	Bdrms	Baths			
Room Count	9	5	3	9	4	3	9	5	3	10	6	3.5	10	6	3.5						
Gross Living Area	50 3,007 sq. ft.			2,782 sq. ft.			11,300			2,757 sq. ft.			12,500			3,797 sq. ft.			-39,500		
Basement & Finished Rooms Below Grade	N/A			N/A						N/A			N/A								
Functional Utility	Average			Average						Average			Average								
Heating/Cooling	F/A, Central			F/A, Central						F/A, Central			F/A, Central								
Energy Efficient Items	Typical of Type			Typical of Type						Typical of Type			Typical of Type								
Garage/Carport	2 Car Garage			2 Car Garage						3 Car Garage			-5,000			2 Car Garage					
Porch/Patio/Deck	Porch,Patio			Porch,Patio						Porch,Patio						Porch,Patio					
KitEqp/Upgrd	Good			Superior			-40,000			Good						Good					
Pool	Pool			Pool						Pool						Pool					
Net Adjustment (Total)				<input type="checkbox"/> + <input checked="" type="checkbox"/> -			\$ 88,700			<input checked="" type="checkbox"/> + <input type="checkbox"/> -			\$ 10,500			<input type="checkbox"/> + <input checked="" type="checkbox"/> -			\$ 30,500		
Adjusted Sale Price of Comparables				Net Adj. -11.8%						Net Adj. 1.9%						Net Adj. -5.4%					
				Gross Adj. 22.9%			\$ 660,300			Gross Adj. 11.0%						Gross Adj. 16.7%			\$ 534,500		

I  did  did not research the sale or transfer history of the subject property and comparable sales. If not, explain \_\_\_\_\_

My research  did  did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data source(s) \_\_\_\_\_

My research  did  did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data source(s) \_\_\_\_\_

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
Date of Prior Sale/Transfer	09/2005	No Prior Sales Recorded	No Prior Sales Recorded	No Prior Sales Recorded
Price of Prior Sale/Transfer	\$759,000	in past 12 months.	in past 12 months.	in past 12 months.
Data Source(s)	Public Records/ISC	Public Records/ISC/MLS	Public Records/ISC/MLS	Public Records/ISC/MLS
Effective Date of Data Source(s)	05/19/2008	05/19/2008	05/19/2008	05/19/2008

Analysis of prior sale or transfer history of the subject property and comparable sales **No other listings of sales have been discovered or transacted with the exception of those listed above with the past 36 months according to MLS and Public Records.**

Summary of Sales Comparison Approach. All of the sales are located in the subject's neighborhood and are the best available at this time. Sale 1 as per Realtor, was renovated and sold in very good condition with superior upgrades. All of the sales were given consideration in the estimate of value. Please see Addendum for additional information.

Indicated Value by Sales Comparison Approach \$ **585,000**

Indicated Value by: Sales Comparison Approach \$ **585,000** Cost Approach (if developed) \$ \_\_\_\_\_ Income Approach (if developed) \$ \_\_\_\_\_

The sales comparison approach to value was given most weight as it most closely reflects current trends and future expectations of buyers and sellers in the marketplace. The cost approach lends good support. The income approach is not applied as most homes in the area are owner occupied and there is insufficient data.

This appraisal is made  "as is,"  subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed,  subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or  subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: **This is a Complete Appraisal Summary Report subject to the attached Limiting Conditions and Certification. Personal property was not considered in the estimate of value.**

Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ **585,000** as of **05/18/2008**, which is the date of inspection and the effective date of this appraisal.

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ADDITIONAL COMMENTS

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) The cost approach has not been utilized due to the age of the subject residence and was deemed to be unreliable.

COST APPROACH

Table with columns for ESTIMATED, REPRODUCTION OR, REPLACEMENT COST NEW, and OPINION OF SITE VALUE. Includes rows for Dwelling, Bsmnt. 0, Garage/Carport, and Depreciation.

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$ X Gross Rent Multiplier N/A = \$ 0 Indicated Value by Income Approach

INCOME

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? Yes No Unit type(s) Detached Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal name of project Total number of phases Total number of units Total number of units sold

PUD INFORMATION

Was the project created by the conversion of an existing building(s) into a PUD? Yes No If Yes, date of conversion.

Does the project contain any multi-dwelling units? Yes No Data source(s)

Are the units, common elements, and recreation facilities complete? Yes No If No, describe the status of completion.

Are the common elements leased to or by the Homeowners' Association? Yes No If Yes, describe the rental terms and options.

Describe common elements and recreational facilities. Recreational facilities, common & green areas.

## Uniform Residential Appraisal Report

This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit; including a unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

**SCOPE OF WORK:** The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

**INTENDED USE:** The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

**INTENDED USER:** The intended user of this appraisal report is the lender/client.

**DEFINITION OF MARKET VALUE:** The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions\* granted by anyone associated with the sale.

\*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

**STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS:** The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

## Uniform Residential Appraisal Report

**APPRAISER'S CERTIFICATION:** The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

Uniform Residential Appraisal Report

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

- 1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature Edward J. Ronan III
Name Edward J. Ronan
Company Name Paragon Appraisal
Company Address 1489 W. Palmetto Park Road
Boca Raton, FL 33432
Telephone Number (561)-620-9720
Email Address eronan@paragon-appraisal-com
Date of Signature and Report 05/20/2008
Effective Date of Appraisal 05/18/2008
State Certification # State Cert. Res. 0002074
or State License #
or Other (describe) State # Florida
State
Expiration Date of Certification or License 11/30/2008

ADDRESS OF PROPERTY APPRAISED
22633 Lemon Tree Lane
Boca Raton, FL 33428

APPRAISED VALUE OF SUBJECT PROPERTY \$ 585,000

LENDER/CLIENT
Name
Company Name DeFalco, Frederick
Company Address 1601 NW 13 Street Boca Raton, FL 33486
Email Address

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature
Name
Company Name
Company Address
Telephone Number
Email Address
Date of Signature
State Certification #
or State License #
State
Expiration Date of Certification or License

SUBJECT PROPERTY
Did not inspect subject property
Did inspect exterior of subject property from street
Date of Inspection
Did inspect interior and exterior of subject property
Date of Inspection

COMPARABLE SALES
Did not inspect exterior of comparable sales from street
Did inspect exterior of comparable sales from street
Date of Inspection

## ADDENDUM

Borrower: DeFalco, Frederick	File No.: 8-1464ER	
Property Address: 22633 Lemon Tree Lane	Case No.:	
City: Boca Raton	State: FL	Zip: 33428
Lender: DeFalco, Frederick		

### **Purpose and Function of Appraisal**

The purpose of this appraisal report is to estimate market value of the subject property as defined by FNMA, FHLMC and FIRREA. The function of the appraisal report, for assignments prepared for lending institutions, is to assist the identified lender or assignee in the underwriting of the risk associated with a residential mortgage loan. This appraisal is for the sole use of the disclosed lender/client named in the report. Any parties who rely upon information from this report, without the appraisers' written consent, do so at their own risk.

### **Extent of Appraisal Process**

The appraisal is based on a physical inspection of the neighborhood and the subject property, information gathered from public and private records and subsequent exterior inspection of the comparable sales. The data obtained are verified through public records, published and on-line information services, and sources involved or familiar with each respective transfer.

### **State Certification**

One of more of the appraisers identified herein are certified under Florida Statute 475.610 through 475.630. Accordingly, the Certification herein is amended to include the following:

- The analyses, opinions, and conclusions were developed and this report has been prepared in conformity with the requirements of the State of Florida for state-certified appraisers.
- The use of the report is subject to the requirements of the State of Florida relating to review by the Florida Real Estate appraisal Board.

### **Subject Property Information**

The appraisers make no guarantees or warranties as to whether the improvements to the subject site have been properly permitted in accordance with the applicable count and/or municipal governing body. The appraiser assume that all improvements to the subject site have bee properly permitted and are in compliance with the proper governing body. The appraisers accept no responsibility for any disputes with may arise over any such issue.

### **Estimated Marketing Time of Subject**

The estimated marketing time for the subject is 3 to 12 months. This is the amount of time necessary to exposed a property to the open market in order to achieve a sale. Implicit in this definition are the following characteristics:

The property will be actively exposed and marketed to potential purchasers through marketing channels commonly used by sellers of similar type properties.

The property will be offered at a price reflecting the most probable mark-up over market value used by sellers of similar type properties.

A sale will be consummated under the terms and conditions of the definition of market value.

## **APPRAISAL PROCESS**

### **The Sales Comparison Approach**

The Sales Comparison Approach is based on the comparison of the subject property with sales of similar properties. Adjustments are made to each of the sales to equate differences with the subject. This is generally considered the most reliable approach to value for this property type.

Although the number and magnitude of individual adjustments is larger than desired, each individual adjustment was extracted from the market and was considered reflective of current market trends. The sales utilized were considered the most comparable sales available as of the effective date of valuation and remain reliable value indicators.

Adjustments to the comparables conditions are based on Realtor information. All adjustments are market derived. All sales were given consideration in the final value estimate.

### **The Cost Approach**

## ADDENDUM

Borrower: DeFalco, Frederick	File No.: 8-1464ER	
Property Address: 22633 Lemon Tree Lane	Case No.:	
City: Boca Raton	State: FL	Zip: 33428
Lender: DeFalco, Frederick		

Construction cost data is obtained from the Marshall & Swift Residential Cost Service, and supplemented with local contractor's cost estimates, when available. The site value estimate is supported by vacant site sales data, when available. The extraction methodology of improved property sales is utilized when there are no vacant site sales.

### **The Income Approach**

The Income Approach is a primary method of estimating the value of income-producing properties, which are usually purchased for investment purposes. When the Income Approach is deemed inappropriate for a particular assignment, it is so noted. This determination is based on the type of predominant occupancy (owner versus tenant) and the availability of accurate rental data. In neighborhoods where most homes are owner-occupied (and therefore not purchased for income production), the Income Approach is not applied due to the lack of sufficient rental data.

### **Predominant Value**

Although the estimated value of the subject exceeds the predominant value in the neighborhood, it is well within the typical price range. The residence is not an over-improvement and there is a very adequate market in the immediate neighborhood for similarly priced homes.

### **Ratio of Land to Total Value**

The ratio of land value to total value is typical in the neighborhood and does not adversely affect marketability.

### **Wells and Septic Tanks**

Septic tanks area typical in the subject neighborhood and do not adversely affect marketability.

If subject property is not connected to a public sewage system and water supply, the Appraiser makes no warranty or representation as to the adequacy or quality of the sanitary disposal system, well and well water.

### **Flood Map Statement**

Since the flood maps published by the National Flood Insurance Program are vague and poorly defined in some areas, the Appraiser has used his best judgement as to the subject property both by visual inspection and plotting on the map. In the absence of a survey, the Appraiser assumes no responsibility for the flood zone classification.

### **Signatures**

Please be advised that the attached file contains "Electronic Signatures" these signatures are accessed only by security code and are considered original signatures by all National Banks and Lending Institutions as well as Fannie-Mae.

### **Cost Approach Comments**

Site value is based upon a review of recent land sales, land extraction and/or site to total value ratios. Cost estimates were derived with the aid of Marshall Valuation Service and the appraisers' knowledge of current local building costs and is a replacement cost. Physical depreciation is based on age/life method.

Remaining economic life is: 45 years.

**SUBJECT PROPERTY PHOTO ADDENDUM**

Borrower: DeFalco, Frederick	File No.: 8-1464ER	
Property Address: 22633 Lemon Tree Lane	Case No.:	
City: Boca Raton	State: FL	Zip: 33428
Lender: DeFalco, Frederick		



**FRONT VIEW OF  
SUBJECT PROPERTY**

Appraised Date: May 18, 2008



**REAR VIEW OF  
SUBJECT PROPERTY**



**STREET SCENE**

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: DeFalco, Frederick	File No.: 8-1464ER	
Property Address: 22633 Lemon Tree Lane	Case No.:	
City: Boca Raton	State: FL	Zip: 33428
Lender: DeFalco, Frederick		



**COMPARABLE SALE #1**

11962 Waterwood Drive  
Boca Raton  
Sale Date: 05/2008  
Sale Price: \$ 749,000



**COMPARABLE SALE #2**

21275 N. Sweetwater Lane  
Boca Raton  
Sale Date: 02/2008  
Sale Price: \$ 551,400



**COMPARABLE SALE #3**

21251 N. Sweetwater Lane  
Boca Raton  
Sale Date: 01/2008  
Sale Price: \$ 565,000

Borrower: DeFalco, Frederick  
Property Address: 22633 Lemon Tree Lane  
City: Boca Raton  
Lender: DeFalco, Frederick

File No.: 8-1464ER  
Case No.:  
State: FL  
Zip: 33428



Bath



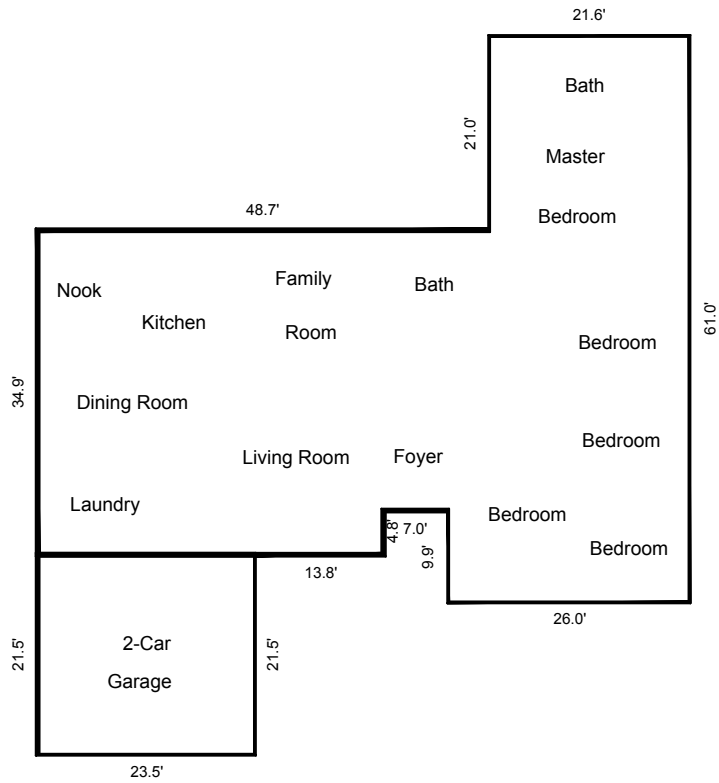
Master Bedroom



Kitchen

## FLOORPLAN

Borrower: DeFalco, Frederick	File No.: 8-1464ER
Property Address: 22633 Lemon Tree Lane	Case No.:
City: Boca Raton	State: FL
Lender: DeFalco, Frederick	Zip: 33428



Sketch by Apex IV Windows™

AREA CALCULATIONS SUMMARY			
Code	Description	Size	Totals
GLA1	First Floor	3006.51	3006.51
GAR	Garage	505.25	505.25
<b>TOTAL LIVABLE (rounded)</b>			<b>3007</b>

LIVING AREA BREAKDOWN			
Breakdown			Subtotals
<b>First Floor</b>			
21.6	x	61.0	1317.60
30.1	x	48.7	1466.36
4.8	x	37.3	179.04
4.4	x	9.9	43.52
<b>4 Areas Total (rounded)</b>			<b>3007</b>

LOCATION MAP

Borrower: DeFalco, Frederick

File No.: 8-1464ER

Property Address: 22633 Lemon Tree Lane

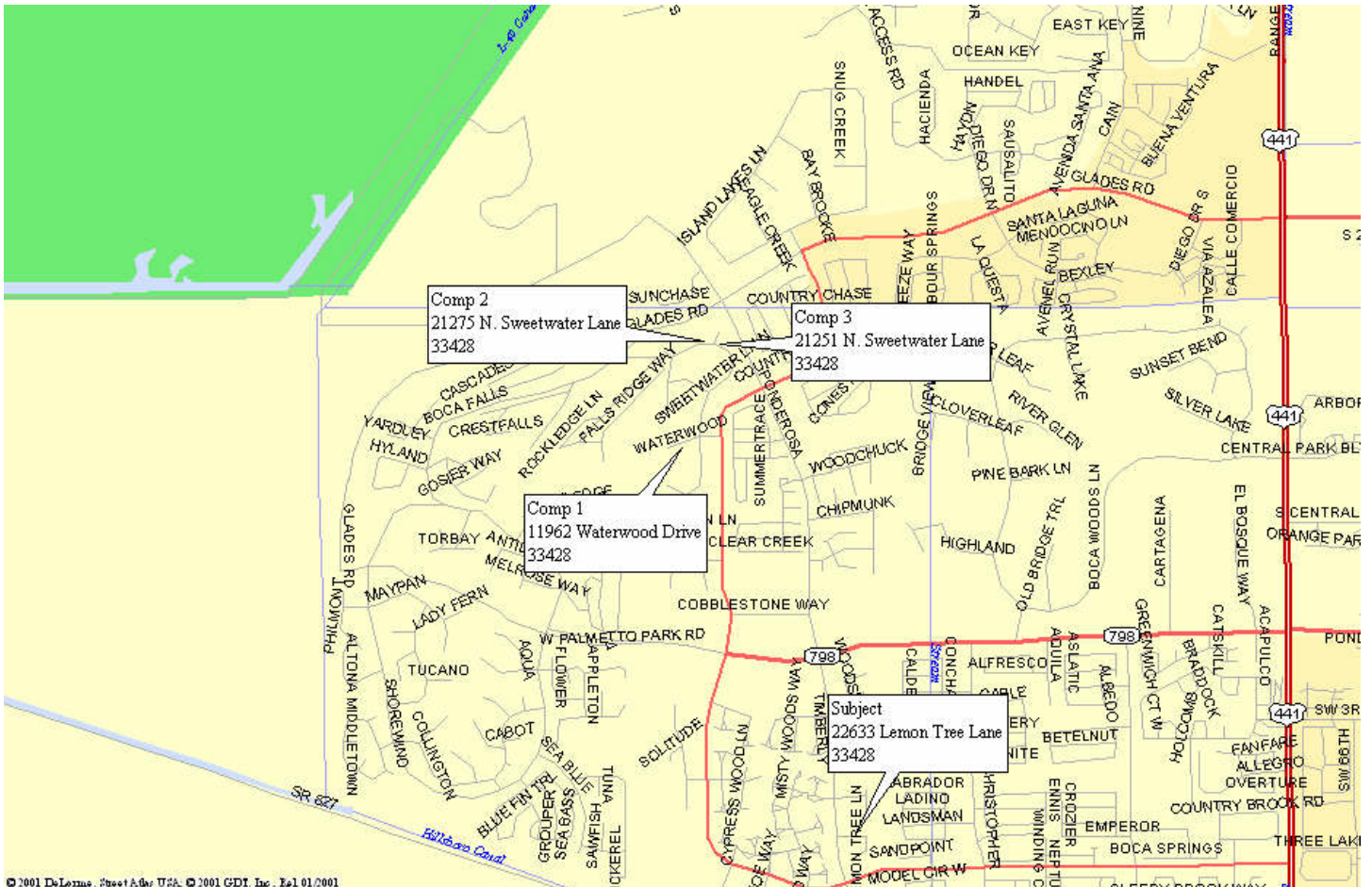
Case No.:

City: Boca Raton

State: FL

Zip: 33428

Lender: DeFalco, Frederick



\*\*\*\*\* INVOICE \*\*\*\*\*

File Number: 8-1464ER

05/20/2008

Defalco

Borrower : DeFalco, Frederick

Invoice # :  
Order Date :  
Reference/Case # :  
PO Number :

22633 Lemon Tree Lane  
Boca Raton, FL 33428

Fee for Appraisal	\$	475.00
Rec'd check 5/19/08	\$	-475.00
		-----
Invoice Total	\$	0.00
State Sales Tax @	\$	0.00
Deposit	(\$	)
Deposit	(\$	)
		-----
Amount Due	\$	0.00

Terms: Net 10 days / Paid in full at time of inspection - Thank you

Please Make Check Payable To:

PARAGON APPRAISAL  
1489 West Palmetto Park Road, #492  
Boca Raton, FL 33486

Fed. I.D. #: 65-1145262

THANK YOU FOR YOUR BUSINESS  
VISIT OUR WEBSITE AT [WWW.PARAGON-APPRAISAL.COM](http://WWW.PARAGON-APPRAISAL.COM)

Borrower: DeFalco, Frederick  
Property Address: 22633 Lemon Tree Lane  
City: Boca Raton  
Lender: DeFalco, Frederick

File No.: 8-1464ER  
Case No.:  
State: FL  
Zip: 33428

### Qualifications of Edward J. Ronan, III

Paragon Appraisal  
1489 West Palmetto Park Road - Suite #492  
Boca Raton, Florida 33486  
Telephone: (561)620-9728 FAX: (561)620-9722

#### Education

Florida Atlantic University- Bachelor of Arts, December 1976

Successfully completed the following courses sponsored by:

- The American Institute of Real Estate Appraisers  
Course 101- Introduction to Appraising Real Property May 1985
  - The International Association of Assessing Officers  
Course 1- Fundamentals of Real Property Appraisal May 1986  
Course 2-Income Approach to Valuation December 1986  
Course 6-Fundamentals of Mapping December 1987  
Course 201-Appraisal of Land July 1989
  - The Appraisal Institute  
Appraisal Reporting of Complex Residential Properties October 1993  
Understanding Limited Appraisals and Appr.Reporting Options: Residential August 1994  
How to Prepare a Market Study for an Appraisal Practice September 1994  
USPAP ACore@Law for Appraisers May 1996  
Market & Feasibility Studies for Shopping Centers June 1995  
Ind. Condo Unit & Small Res. Income Property Appraisal June 1996  
Luxury Waterfront Mkt. & Land Value July 1996  
Fundamentals of Relocation Appraising October 1996
  - Los & Grant Co.  
Appraising 1-4 Family Residential Rentals October 1994
  - Real Estate Education Specialists  
Continuing Education Course-A Specialty@ May 1998  
USPAP/Law Update May 1998  
Case Studies in Uniform Standards May 1998
  - South Florida-Caribbean Chapter of The Appraisal Institute Region X  
FHA and The Appraisal Process November 1999
- Received Certified Florida Evaluation Certificate January 1988

#### Experience

- Oct. 2001 - Present Paragon Appraisal  
Principal  
Boca Raton, Florida 33486
- June 1990 to Oct. 2001 LandAmerica/OneStop (Formerly Primis Inc.)  
Deerfield Beach/ West Palm Beach, FL
- May 1985 to June 1990 Palm Beach County Property Appraisers Office  
West Palm Beach, FL
- March 1980 to October 1982 Ronan Realty  
Boca Raton, FL

#### Certification

State Certified Residential Real Estate Appraiser #RD0002074

AC# 2954701

STATE OF FLORIDA

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION  
FLORIDA REAL ESTATE APPRAISAL BD

SEQ#L06111502903

DATE	BATCH NUMBER	LICENSE NBR
11/15/2006	068093365	RD2074

The CERTIFIED RESIDENTIAL APPRAISER  
Named below IS CERTIFIED  
Under the provisions of Chapter 475 FS.  
Expiration date: NOV 30, 2008

RONAN, EDWARD J III  
1489 WEST PALMETTO PARK ROAD #492  
BOCA RATON FL 33486

JEB BUSH  
GOVERNOR

DISPLAY AS REQUIRED BY LAW

SIMONE MARSTILLER  
SECRETARY